



TENNESSEE REAL ESTATE News-Journal

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License Renewal Update

All real estate licenses expire December 31, 2000. This includes affiliate broker licenses, broker licenses, firm licenses, time share salespersons licenses, time share projects and vacation lodging services. A number of changes have occurred recently which will enhance the license renewal process. The changes are listed below:

Renewal applications for active licenses have been mailed to the firm address of record.

Renewal applications for inactive or retired licenses have been mailed to the home address.

November 1, 2000 has been established as the deadline for renewal fees to be in the TREC office. Those fees received after that date but postmarked on or before November 1, 2000 will be considered submitted timely. (Public Chapter 861 of 2000 requires documentation necessary for license renewal must be received by the Commission's administrative office 60 days prior to expiration of the license – 60 days before December 31, 2000.) The renewal application contains the information the licensee needs to know in order to timely renew the license. Please read all instructions on the front and the back of the page. There is a statement in the lower right hand corner of

the application which reads as follows: By return of this form and/or payment of the renewal fee, I, the above named applicant for license renewal, do hereby certify that I have or will have completed all requirements for license renewal by the appropriate deadline, including maintaining E&O insurance coverage, continuing education and timely completion of the course for new affiliates. I understand that failure to complete the requirements by the deadline will result in additional disciplinary action and render the license invalid.

Please provide the information requested on the back of the renewal application form (phone number, fax number, e-mail address, web address for individuals and firms and the principal broker should complete the questions which appear on the firm applications - bottom of the back page of the application).

Continuing education must be completed on or before December 31, 2000 for this current licensing period.

If the licensee opts to purchase state contracted Errors and Omissions (E&O) Insurance, payment must be mailed directly to the insurance company and received by that insurance company or postmarked by December 1, 2000. Applications for state contracted E&O Insurance will be

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Keep this copy as an original and photocopy as needed	

Just 14 Minutes Late

The rule concerning attendance at continuing education courses which receive two to eight hours of credit reads as follows: "...such requirement shall be one hundred percent (100%) if the course consists of eight (8) or fewer classroom hours." The rule also indicates that an hour of credit will be awarded for 50 minutes of actual instruction. The 50 minutes of instruction equaling one hour of CE credit was designed to allow breaks in instruction so that attendees would not become stiff and tired while listening to the information presented.

Recently an individual planned to attend a two-hour educational activity and arrived fourteen minutes after the program began. That individual was not provided credit for the course since s/he would have missed 14% of the course. While some individuals think this is somewhat petty, the rule must be upheld for

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mailed to all active licensees at the firm address of record.

Licenses will be renewed upon receipt of the renewal application fee without verifying that education has been completed or verification of E&O insurance coverage. Licenses will be mailed without verification of license renewal of the principal broker or the firm.

Following the issuance of licenses, all license files will be audited to determine if application fees were received timely, education was completed timely and E&O premiums were paid timely. If documentation is not available for any or all of the renewal license requirements, the licensee will be contacted to determine why the information is not available to the Commission. If one or more of the requirements were actually not met, the licensee must cease and desist practicing any activities which require a real estate license. The licensee must then remedy the deficit (pay renewal fee, complete education and/or purchase E&O insurance) and pay the applicable late penalties. Each of the deficits carries a \$100.00 per month penalty for each month or portion of a month the deficit is completed between January 1 and June 30, 2001. After June 30, 2001 the license is null and void and the individual must meet current licensure education requirements, retest and reapply for licensure.

**Revised TREC Form 1
included in this newsletter
- Keep this copy as an
original and photocopy
as needed.**

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at least two reasons. First, rules are created, not to be punitive, but to help insure understanding by the individuals regulated by the rules. Secondly, those licensees who arrived late should not expect to receive the credit that the licensees who arrived on time and attended the entire educational program received.

Each and every sponsor who provides TREC approved educational opportunities to real estate professionals has contractually agreed to adhere to attendance requirements. The sponsors do not glean any satisfaction from telling licensees they cannot obtain educational credit for a class or seminar when they arrive late, but they are upholding their obligation to insure compliance with the rules.

What is VLS?

VLS is defined as any person who engages in the business of providing the services of management, marketing, booking, and rental of residential units owned by others as sleeping accommodations for pay to transients or travelers staying not more than fourteen days. Person is defined as any natural person, corporation, company, partnership, firm or association.

The Tennessee Real Estate Commission (TREC) issues two types of firm licenses under which VLS companies can operate: (1) **Real Estate Firm**, under supervision by a licensed real estate broker which may also engage in other real estate activities, and (2) **Vacation Lodging Service (VLS) Firm**, with a principal of the firm (owner, partner,

stockholder or corporate officer) designated as responsible to TREC for firm activities and responsible for obtaining required training. The VLS firm can only engage in VLS real estate activities as defined above, is not required to have a licensed real estate broker to supervise activities, and must operate under the firm name authorized by TREC at the time the firm was licensed.

Both types of firms are subject to the same requirements regarding handling of escrow funds which include: proper and timely deposit and disbursement of all funds received by the VLS firm, proper accounting procedures to assure compliance with TREC regulations, retention of records, review of records by TREC, and discipline when mishandling or misrepresentation of funds is determined.

MedMarc Casualty Company to Provide E&O Insurance

MedMarc Casualty Company has been awarded the state contract to provide E&O Insurance to real estate professionals. This program will be administered by the Frontier Insurance Company, the company which has provided E&O coverage for the past six years.

Licensees who select the state's contracted insurance must mail the \$195.00 premium payment for 2001 - 2002 coverage directly to MedMarc.

MedMarc Casualty Ins. Co.
P O Box 6709
Louisville, KY 40206-0709

(502) 897-7876
(888) 248-2444

DISCIPLINARY ACTION

JUNE 2000

CRYE-LEIKE, INC REALTORS **Collierville, TN (F246419)**

Jeanne Lubiani (PB 52274)

Jeanne Lubiani agreed to pay a \$500.00 civil penalty after an audit of the firm revealed earnest money was neither deposited or dispersed as required by contract.

DIANE FISHER (256403) **Maryville, TN**

Diane Fisher consented to pay a civil penalty of \$2000.00 after it was discovered Ms. Fisher had advertised that "listing with her would result in assistance to the children's home." However, Ms. Fisher did not forward all monies as promised.

CAROLYN J. LUMPKIN (257043) **Jackson, TN**

Carolyn Lumpkin agreed to pay a civil penalty of \$500.00 for continuing to provide real estate services and collect commissions when she had not timely renewed her license in 1998 and, in fact, was not licensed between January 1, 1999 and May 8, 2000.

BRANDON PATRICK (257858) **Brentwood, TN**

Brandon Patrick agreed to pay a \$250.00 civil penalty for failure to disclose pertinent details about gifts and prizes in a newspaper advertisement which indicated he guaranteed to save a buyer \$3000.00 on a home purchase or he would pay \$1000.00 toward closing costs.

KENNETH SHAWN SMITH (248543) **Knoxville, TN**

Kenneth Smith agreed to pay a \$250.00 civil penalty after a TREC auditor determined Mr. Smith had vacated his firm office and moved to Georgia without completing the administrative measures necessary to close the firm or transfer affiliates.

LISA K. RABEN-SMITH (248140) **Knoxville, TN**

Lisa K. Raben-Smith agreed to pay a civil penalty of \$250.00 for failure to

administratively transfer her license after the firm with which she was affiliated closed.

REAL ESTATE NOW (220561) **ROYAL HICKEY (PB208400)**

Jackson, TN

Royal Hickey agreed to pay a civil penalty of \$500.00 for failure to obtain a firm license for a branch office located in Hendersonville, TN and continuing to operate that branch office under the name "Real Estate Now" after the former principal broker changed the name and address.

AUGUST 2000

HENRY C. ATKEISON, JR. (208153) **Brentwood, TN**

Henry C. Atkeison, Jr. agreed to pay a civil penalty of \$500.00 after working for more than nine months for a firm with which he was not administratively affiliated. Mr. Atkeison also failed to timely close his firm Regal Realty.

CHESTER & ASSOCIATES **(243601)**

E. DUANE CHESTER (PB 243600) **Crossville, TN**

E. Duane Chester agreed to pay a civil penalty of \$500.00 after an inspection of his firm revealed multiple infractions including inadequate facilities, no records were available for inspection and there was no sign displayed for the firm of Chester & Associates.

DAVID M. DICKERSON (8072) **RITCHIE S. BROYLES (238154)**

Morristown, TN

David M. Dickerson and Ritchie S. Broyles agreed to pay a joint civil penalty of \$1000.00 after it was determined they had advertised land sales under the unlicensed firm of Dickerson & Broyles Auction Company while affiliated with Lakeway First Realty Corporation.

JOE B. GUINN (51536)

Memphis, TN

G. T. SCOTT, JR. (4315)

Brentwood, TN

Joe B. Guinn and G. T. Scott consented to pay a joint civil penalty of \$1000.00

after it was determined that they had both offered a free service (Apartment Locator Service) to prospective renters and were compensated by the owners and management companies of the properties.

ROBERT J. HARRISON (243090) **Sevierville, TN**

Robert J. Harrison consented to pay a civil penalty of \$1000.00 after a complaint revealed a \$500.00 cash earnest money payment had been presented to an affiliate; negotiations did not end in a contract; and the earnest money was not properly dispersed. After receiving the notice of complaint, the \$500.00 cash was found in the transaction file.

FLORENTINO E. LORENZO **(262623)**

Clarksville, TN

Mr. Lorenzo agreed to pay a \$500.00 civil penalty after it was noted he ran an ad offering a \$5000.00 bonus to be paid at closing to the buyer.

SEPTEMBER 2000

SUCCESS REALTY (243727) **Chattanooga, TN**

Stanley B. Brown (Principal Broker) agreed to pay a civil penalty of \$250.00 after an inspection of his firm revealed earnest money held is deposited into an interest bearing escrow account without the proper disclosures and agreements of the parties. Secondly, no record of earnest money deposit or disbursement was found for a real estate transaction.

BETTYE W. BUSSELL (11742) **WANDA S. MAYNORD (244126)** **Cookeville, TN**

Neither Bettye W. Bussell (Selling Agent) or Wanda S. Maynord (Listing Agent) provided a property disclosure statement to the buyers. Respondents agreed to pay a civil penalty of \$1000.00 each.

LEROY WATKINS (245159) **Memphis, TN**

Leroy Watkins consented to pay a \$2500.00 civil penalty for failure to collect earnest money at the time of con-

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Tennessee Real Estate Commission

500 James Robertson Parkway, Suite 180
Nashville, TN 37243-1151

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Editor: KATHY M. RIGGS, PH.D.,
Education Director

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tract. When a check was collected at the time of closing, it was written on a closed account.

KHRISTA LEWIS WYATT (216375) Crossville, TN

Khrista Lewis Wyatt consented to pay a civil penalty of \$500.00 for improper conduct.

WILLIEANN DAUGHTERY MADI- SON (238051) Memphis, TN

Ms. Madison agreed to surrender her license pending the completion of a federal grand jury and state comptroller investigation.

"The Tennessee Department of Commerce and Insurance is committed to principles of equal opportunity, equal access, and affirmative action." Contact the EEO Coordinator or ADA Coordinator (615) 741-0481, for TDD 615-741-7190



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TREC Phone Numbers:

(615) 741-2273 or 1-800-342-4031

Personnel and Area of Responsibility with direct phone numbers.

Conell House - (615) 741-7548 Affiliate broker applications and licenses

Mary Bauman - (615) 741-3664 Broker applications and license issuance, Rental Location Licenses and E&O Insurance

Pat Little - (615) 741-7549 Continuing Education Processing

Tammy Roehich - (615) 741-0627 Firm applications, Name changes, Firm & Residential Address changes, Transfers, and Broker Release

Karen Jarrett - (615) 741-7550 License Certifications

Sue Kerley - (615) 741-7553 Manager of Complaints

Gil Dyer - (615) 741-3615 Time Share Salespersons

Danny Webb - 253-1232 Retirement & Inactive Status Changes, Reactivation of Licenses

- 741-4043 Reinstatements, Timeshare Projects Registration & Renewal

- 253-1190 Non-Resident Licenses

Errors & Omissions Insurance

Contractor:

FRONTIER INSURANCE COMPANY
1-888-248-2444 OR (615) 248-2444

